

Message Text

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PAGE 01 SANTIA 05636 111652Z
ACTION SCSE-00

INFO OCT-01 ARA-14 ISO-00 SCA-01 L-03 H-02 DHA-02
SSO-00 /023 W

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O 111558Z JUL 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC IMMEDIATE 5587

UNCLAS SANTIAGO 5636

FOR SCS

E.O. 11652: N/A
TAGS: CASC CGEN CI
SUBJECT: PROTECTION OF VESSEL GOOD SHIP GRACE

REF: SANTIAGO 5326, SANTIAGO 5260, STATE 147088, AND PREVIOUS

1. THE 40-TON AMERICAN LUXURY YACHT GOOD SHIP GRACE SUNK DURING A STORM IN VALPARAISO HARBOR ON JULY 9. THE GRACE, ACCORDING TO SALVAMAR SHIPYARD AUTHORITIES BROKE HER MOORINGS AND WENT DOWN IN APPROXIMATELY 35 FEET OF WATER ABOUT 200 FEET FROM SHORE. CONTINUING ROUGH WEATHER HAS PRVENTED INSPECTION BY DIVERS BUT SALVAMAR OFFICERS INDICATE THAT THEY WILL PROBABLY ATTEMPT TO RAISE THE GRACE. CONOFF CONTACTED GARRETT IN CALIFORNIA IMMEDIATELY WITH DETAILS.

2. ON THE LEGAL FRONT, THE CONSULATE SECURED A 30-DAY STAY OF LEGAL PROCEEDINGS BY CHAVEZ ET. AL. AGAINST GARRETT IN THE WORKMEN'S COURT IN VALPARAISO. THE CHAVEZ SALVAGE CLAIMS AGAINST THE GRACE WILL PROBABLY BE REFERRED TO A MARITIME COURT BUT THE SUIT FOR WAGES CITED IN REFTEL WILL BE HANDLED BY THE WORKMEN'S COURT. THE WORKMEN'S COURT REQUESTED THAT THE EMBASSY SUPPLY THEM WITH GARRETT'S ADDRESS IN THE US IN ORDER TO SEND HIM PROPER LEGAL NOTIFICATION DIRECTLY AND FACILITATE CONTINUANCE OF PROCEEDINGS ONCE
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GARRETT HAS SELECTED AN ATTORNEY HERE. GARRETT WAS NOTIFIED OF THIS DEVELOPMENT BY PHONE ON JULY 1 AND GAVE PERMISSION TO NOTIFY COURT OF WHEREABOUTS, WHICH HAS BEEN DONE. GARRETT WAS RELEASED FROM THE HOSPITAL IN DOWNEY, CALIFORNIA ON JULY 2.

3. GARRETT'S CURRENT ADDRESS IS: C/O APOILO MOTEL,

9050 EAST IMPERIAL HIGHWAY, DOWNEY, CALIFORNIA. TELEPHONE (213) 862-1191. UPON NOTIFICATION THAT GRACE HAD GONE DOWN HE WRYLY OBSERVED, "WELL, I GUESS THAT'S THE END OF THE GRACE". GARRETT STATED HE IS NOT YET ABLE TO RAISE MONEY FOR PRIVATE LEGAL DEFENSE OR TRAVEL TO CHILE ALTHOUGH HE CLAIMS HE HAS BEEN IN TOUCH WITH OTHER OWNERS. FYI: GARRETT HAS BEEN PROVIDED WITH LAWYER'S LIST.

4. THIS, OF COURSE, IS NOT THE END OF THE GRACE, WHICH WILL INEVITABLY BE SALVAGED AND RAISED PHOENIX-LIKE OUT OF THE WATERS OF VALPARAISO HARBOR TO CONTINUE TO HAUNT THE CONSULATE WITH ATTENDANT SALVAGE CLAIMS, ONGOING COURT SUITS, RESIDUAL DEMANDS FROM LAN CHILE AGAINST GARRETT FOR THE EASTER ISLAND RESCUE, ETC. CHILEAN NAVAL AUTHORITIES, THE PORT AUTHORITY AT VALPARAISO, SALVAMAR, AND THE COURTS RECOGNIZE GARRETT AS THE SOLE OWNER.

5. STATE 147088 CORRECTLY OBSERVED THAT THE ACTUAL OWNERSHIP OF THE (GOOD) SHIP GRACE IS NOT ENTIRELY CLEAR. POST HAS NOT, HOWEVER, BEEN ABLE TO CONTACT JAMES MCKEE OF CAL LEE OF ASSOCIATED SALES TO WHOM THE SHIP ALLEGEDLY REVERTED AFTER A PAYMENTS DEFAULT BY GARRETT. WE HAVE SIMILARLY BEEN UNABLE TO CONTACT TIMOTHY OLDFATHER, A MAJOR SHAREHOLDER IN THE GRACE. EMBASSY REQUESTS DEPARTMENT ADVISE BOTH PARTIES IMMEDIATELY OF DEVELOPMENTS AND REQUEST THEY CONTACT CONSULATE FOR FURTHER DETAILS. PHONE NUMBER OF ASSOCIATED SALES IN CALIFORNIA IS 714/979-4842.

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6. EMBASSY IS IN POSSESSION OF DETAILED INVENTORIES, PHOTOGRAPHS OF DAMAGE PREVIOUSLY SUFFERED BY THE GRACE, AND OTHER DATA ON SHIPYARD COSTS WHICH WOULD PRESUMABLY BE OF INTEREST TO OWNER(S). CONSULATE HAS BEEN IN ALMOST DAILY CONTACT WITH COURT OFFICIALS AND SALVAMAR SHIPYARD IN AN ATTEMPT TO PREVENT OR FORESTALL ANY RASH ACTIONS PREJUDICIAL TO THE INTERESTS OF THE US OWNER. AN ON-SIGHT INSPECTION WAS CONDUCTED BY US NAVAL LIAISON OFFICER IN VALPARAISO PRIOR TO THE SINKING. THE ATTITUDE OF MOST CHILEANS INVOLVED WITH THE GRACE INCIDENT HAS NOT BEEN OBSTRUCTIVE BUT THEIR PATIENCE IS WEARING THIN SINCE US OWNERS HAVE MAINTAINED A TOTAL AND SEEMINGLY DISINTERESTED SILENCE. EMBASSY CANNOT CONVINCINGLY CONTINUE TO REASSURE COURT, PORT AUTHORITIES, AND SHIPYARD OF OWNER'S GOOD FAITH AND CONTINUING INTEREST WITHOUT FEEDBACK FROM US.

7. SANTIAGO 5326 REQUESTED THAT DEPARTMENT TRANSMIT

BASICS OF THE LEGAL IMBROGLIO TO ALL PARTIES CONCERNED
AND ADVISE EMBASSY OF OWNER'S WISHES. HAS
THIS BEEN DONE? PLEASE CABLE CONFIRMATION OF NOTIFICA-
TION AND NAME OF INSURANCE COMPANY IF AVAILABLE. NO
FURTHER ACTION IS CONTEMPLATED BY CONSULATE UNTIL
DEPARTMENT'S REPLY IS RECEIVED.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOOD SHIP GRACE, PROTECTIVE SERVICES
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANTIA05636
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770246-0107
Format: TEL
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770771/aaaacjme.tel
Line Count: 123
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 77d6676d-c288-dd11-92da-001cc4696bcc
Office: ACTION SCSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 SANTIAGO 5326, 77 SANTIAGO 5260, 77 STATE 147088
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1903324
Secure: OPEN
Status: NATIVE
Subject: PROTECTION OF VESSEL GOOD SHIP GRACE
TAGS: CASC, CGEN, EWWT, CI
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/77d6676d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009